



# DRAFT Community Services and Supports (CSS) – Financial Requirements and Issues

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Mental Health Services Act  
Conference Call

Friday, March 18, 2005

3:00 PM – 4:00 PM

TOLL FREE CALL IN NUMBER: 1-877-366-0714

NO PASSWORD NEEDED

TTY# 1-800-735-2929



# CSS Financial Requirements Conference Call AGENDA

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3:00 Welcome and Purpose of Call – Bobbie Wunsch

3:02 Review Agenda and Conference Call Process –  
Bobbie Wunsch

3:05 Review of Principles Regarding Distribution of Funds -  
DMH

3:15 Questions and Answers – Bobbie Wunsch and DMH Staff

3:30 Review of Community Services and Supports Budget  
Requirements - DMH

3:50 Questions and Answers – Bobbie Wunsch and DMH Staff

3:58 Next Steps and March 30 Meeting – Bobbie Wunsch

4:00 Adjourn



# Purpose of Principles Regarding Distribution of Funds

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- To provide guidance to stakeholders on how Community Services and Supports funding will be distributed
  - Sufficient detail to obtain insightful and relevant input
  - Insufficient detail for counties to calculate their distribution amount
- To inform counties of the availability of pre-implementation funding
- To identify funding limitations



# Planning Estimates

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- Developed using the most current and accurate information
- Initial distribution methodology will factor in population, need for mental health services and a minimum funding level for small counties
- Future distribution will factor in performance



# Mental Health Needs

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- The need for mental health services in each county will be determined based on:
  - Prevalence of mental illness among different age groups and ethnic populations
  - Degree of poverty in each county
  - Incidence of uninsured in each county
  - Availability of resources provided either by or through the Department to each county



# Set-Aside Funding

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- A portion of the CSS funding will be set aside
- Potential uses of this funding includes:
  - Expansion of enrollment and/or services where there is demonstrated capacity to expand and achieve outcomes
  - Contingency Reserve
  - Statewide or regional strategies to meet the needs of low incidence populations with multiple disabilities
  - Other critical needs consistent with the MHSA



# Pre-Implementation Funding

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- Counties may request additional Community Program Planning Funding
  - Provide continued flow of funds to counties while DMH reviews CSS Plans
  - Amount available to each county is the same as the amount provided in fiscal year 2004-05
  - Funds will come from each county's Community Services and Supports planning estimate
  - Counties should complete the MHSA Local Planning Budget Worksheet to request funding



# Funding Limitations

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- Other than planning funds, CSS funds will not be available until after CSS Program and Expenditure Plan approval
- Funding may only be used to expand mental health services
- MHSA funds may be used as match for Medi-Cal
- MHSA funds may only be used for expenditures consistent with the approved county CSS Program and Expenditure Plan
- MHSA expenditures will be reported and tracked through the cost report process
  - Also subject to state audit





# Purpose of CSS Budget

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- To provide accountability to stakeholders
- To ensure funds are budgeted and then incurred in accordance with the MHSA and a county's CSS Program Plan
- For DMH to use in evaluation of the local plans and as a monitoring tool



# CSS Budget Worksheet and Narrative

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- Counties required to complete budget worksheet and narrative to obtain funding
  - Should correlate with CSS Program Plan narrative
  - Budget worksheet provided by DMH
  - Counties develop budget narrative describing approach used to develop the budget, budget amounts, source documents, and any proposed start-up and one-time implementation expenditures



# CSS Budget Worksheet and Narrative (cont.)

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- Separate budget worksheet and narrative required for each program proposed by a county
- Separate budget worksheet and narrative required for each fiscal year (2005-06 through 2007-08)
- Budgeted expenditures are identified separately for the County Mental Health Department, Other Governmental Agencies, and Community Mental Health Contract Providers



# CSS Budget Worksheet Instructions

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- Counties may collaborate on programs
  - Include the names of all counties participating on the program
- Identify type of funding as either Enrolled Member Services or System Capacity Funding
- Indicate the Focus Population
  - Children & Youth, Transition Age Youth, Adults, or Older Adults
- Identify the Program
  - Program should correlate with description in CSS Program Plan
- Indicate whether expansion of existing program or new program
  - For program expansions, include all budgeted program expenditures, including existing expenditures not funded with MSHA funds



# Personnel Expenditures

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- Identify separate budgeted positions that correlate with Exhibit 3-Staffing Detailed Worksheet submitted as part of the CSS Program Plan
  - Current Positions – Positions that provide existing services and will continue to provide existing services
  - Redirected Positions – Positions that currently provide services but will be redirected to provide new or expanded services
  - New Positions – Positions newly created to serve clients under the MHSA
  - Client/Family Member Positions – Positions created for client and family members.



# Operating Expenditures

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- Develop budget estimates for operating expenditures
  - Professional Services
  - Translation and Interpreter Services
  - Travel and Transportation
  - General Office Expenditures
  - Rent, Utilities and Equipment
  - Other Operating Expenditures



# Support Expenditures

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- Support expenditures are for client and family member supports
  - Clothing and Food
  - Travel and Transportation
  - Housing
    - Master Leases
    - Subsidies
    - Motel Vouchers
    - Other
  - Other Vouchers
  - Other Support Expenditures
- In general, support expenditures are not reimbursable under Medi-Cal



# Administration Expenditures

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- Administration represents the overall costs of implementing and managing services funded under the MSHA
  - Contract Management
  - Legal
  - Data Processing
  - Personnel Administration
- Only a County Mental Health Department may obtain reimbursement for administration expenditures
- Administration costs are prorated to each program based on the percentage of total direct expenditures budgeted to each program
- Existing administration incurred for a program expansion should be reported as existing administration
- Administration is limited to 15% of direct expenditures





# Estimated Number of Participants

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- Provide an estimate of the number of participants
  - Expansion of existing program – Include an estimate of the current number of participants served by the program as well as an estimate of the number of new participants to which the program will be expanded
  - New program
    - Enrollee Based – Estimate the number of participants to be enrolled in the program
    - System Capacity – Estimate the number of participants to be served by the program
- Must correlate with number of participants identified in CSS Program Plan



# Proposed Budget per Member per Month

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- Divide the total proposed budget by the estimated number of participants and then by 12 months to estimate the proposed budget per member per month
  - DMH will use this information to compare proposed budgets of different programs
  - DMH will not set a minimum or maximum – every program has equal chance of obtaining funding



# Revenues

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- Existing revenues should be estimated for expansion of an existing program
  - Counties are provided flexibility in how these revenues are estimated
    - Recommend applying changes in amount of services (units) and costs (inflation) to most recent cost report information
    - DMH will review approach
- New revenue sources should also be identified as off-sets to proposed budgets
  - Counties could “overfund” a program and end refunding DMH excess MHSA funds if revenue off-sets aren’t accounted for in budget



# Start-Up and One-Time Expenditures

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- Counties may include program start-up and one-time expenditures in their proposed budgets
  - Describe in budget narrative the expenditure type, amount of expenditure and purpose of expenditure
  - These expenditures do not factor into average monthly costs per member
  - Note that no costs should be incurred until county has received approval of CSS Program and Expenditure Plan



# Cost Report

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- DMH will modify existing cost report to incorporate MHSA expenditures
  - Envision format similar to that of MH 1909 for SEP
    - Identify MHSA costs by mode and service function
    - Identify corresponding revenue off-sets
    - Compute amount of allowable MHSA expenditures and funding
    - Report as revenue on MH 1992
- Will be subject to audit by DMH
  - Audit will include protocol for evaluating whether MHSA funds were used to expand mental health services and not used to backfill funding for existing services